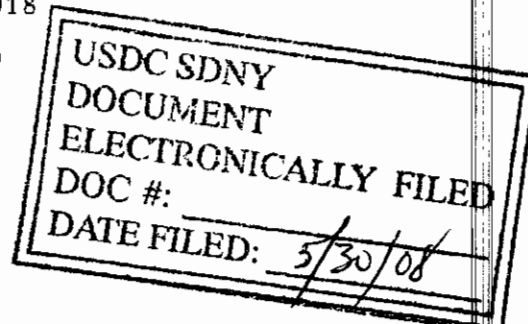


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ADMITTED IN NEW YORK,  
NEW JERSEY



May 30, 2008

**BY TELEFAX**

(212) 805-7941

Honorable Loretta A. Preska  
United States District Judge  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl St., Room 1320  
New York, NY 10007

Re: Ergo Shipping SA v. Horus Shipping & Transport S.A.E.  
07 Civ. 7478 (LAP)  
Our file: 2602003

Dear Judge Preska:

We are attorneys for plaintiff in this Rule B attachment action and write this joint letter pursuant to Your Honor's Order of May 2, 2008, directing the parties to confer and inform the Court of the status of this action.

We report that plaintiff continues to hold a total of \$41,085.00 at Deutsche Bank as security for satisfaction of its arbitration award, and that the parties are continuing to negotiate the settlement of this claim.

We are currently awaiting a response from defendant as to a settlement counterproposal, and thus, the parties jointly request an additional sixty (60) days to complete settlement of this matter.

We thank you for your attention to this matter.

*Counsel shall report to the Court by letter no later than July 25, 2008,*

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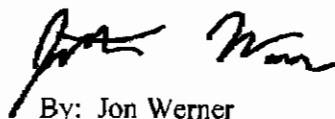
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LORETTA A. PRESKA  
UNITED STATES DISTRICT JUDGE

*May 30, 2008*

Respectfully yours,

Lyons & Flood, LLP



By: Jon Werner

VIA FACSIMILE

(917) 332-3720

cc: Jeremy J.O. Harwood  
BLANK ROME LLP  
405 Lexington Avenue  
The Chrysler Building  
New York, NY 10174

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